

Message Text

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15

ACTION TRSE-00

INFO OCT-01 EUR-12 EA-07 ISO-00 AID-05 CEA-01 CIAE-00

COME-00 EB-07 FRB-03 INR-07 IO-11 NEA-10 NSAE-00

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 L-03 H-02 FEA-01 OES-03 INT-05 /114 W

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R 130835Z JAN 76

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 6042

INFO USMISSION OECD PARIS

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E.O. 11652: N/A

TAGS: EFIN, ECON, ENRG, OECD, JA

SUBJECT: JAPANESE PARTICIPATION IN EPC'S TEMPORARY WORKING PARTY
MEETING OF EXPERTS

REF: STATE 2933

1. SUMMARY: ASSISTANT FINATT DISCUSSED FEB 3 GROUP OF EXPERTS' MEETING WITH OBA (DIR, RESEARCH DIV, INT FIN BUR, MOF) AND MIZOGUCHI (DEP DIR). DISCUSSION INCLUDED JAPAN,S PARTICIPATION AT THIS AND FUTURE EXPERTS' MEETINGS, AS WELL AS CURRENT GOJ RESEARCH ON ISSUE OF OECD EXPORT PRICES. MIZOGUCHI, WHO WILL BE GOJ REP AT FEB 3 MEETING, IS TRAINED ECONOMETRICIAN AND RAISED QUESTIONS CONCERNING MURPHY PAPER (REFTEL) ON JAPAN'S EXPORT PRICES IN 1974. END SUMMARY.

2. JAPAN WILL SEND REP TO FEB 3 MEETING AND ONE OR TWO MEETINGS THEREAFTER BEFORE DECIDING EXTENT OF THEIR PARTICIPATION IN WORK OF COMMITTEE OF EXPERTS. OBA EXPRESSED SOME CONCERN ABOUT RESOURCES REQUIRED TO PARTICIPATE IN THIS EFFORT AND DIFFICULTY OF JAPANESE PARTICIPATING IN VIEW OF ADVERSE GEOGRAPHIC LOCATION. MIZOGUCHI ALSO REFERRED
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TO GOJ CONCERN THAT THIS WORK MAY RAISE ASPECTS OF

"CONFRONTATION" VIS-A-VIS OPEC COUNTRIES.

3. GOJ REP TO FEB 3 EXPERTS' MEETING WILL BE ZENBEI MIZOGUCHI (DEP DIR IN RESEARCH DIV, INT FIN BUR, MOF), WHO MAJORED IN ECONOMETRICS AT TOKYO UNIVERSITY. HE IS RELATIVELY YOUNG (ABOUT 30), BUT DOES NOT SPEAK ENGLISH (WHICH WILL BE HANDICAP TO JAPAN'S PARTICIPATION AT MEETING). ALTHOUGH LESS EXPERIENCED THAN GOJ EXPERTS IDEKA AND KIUCHI, MIZOGUCHI APPEARS TO HAVE VERY SOUND TRAINING IN ECONOMETRICS AND STATISTICS AND IS QUITE FAMILIAR WITH PROBLEMS OF MEASURING PRICE FLUCTUATIONS AS WELL AS THE BROADER ISSUES INVOLVED IN MEASURING TERMS OF TRADE. HE SAID THAT GOJ IS NOT CURRENTLY CONDUCTING ANY SPECIFIC STUDIES ON MEASUREMENT OF GOJ EXPORT PRICES BUT THAT SUCH STUDIES MAY BE CONDUCTED IN FUTURE IF THERE IS SUFFICIENT INTEREST WITHIN GOJ.

4. MIZOGUCHI IMPRESSED WITH HIGH QUALITY OF MURPHY PAPER ON DIVERGENCE OF U.S. UNIT VALUE AND SPECIFIC EXPORT PRICE INDICES. HOWEVER, HE RAISED SOME QUESTIONS ABOUT MURPHY'S ESTIMATES FOR INCREASES IN EXPORT UNIT VALUES AND EXPORT PRICES IN JAPAN (CITED PARA 3 REFTEL) IN 1974. FOLLOWING TABLE SHOWS DISCREPANCY BETWEEN MURPHY ESTIMATES AND DATA CITED BY MIZOGUCHI DRAWING UPON GOJ STATISTICS PUBLISHED IN GOJ'S "ECONOMIC STATISTICS MONTHLY", JULY 1975 (P. 126 FOR UNIT VALUE; P. 161 FOR PRICE INDEX).

ESTIMATES OF PERCENT INCREASE
IN JAPAN'S EXPORT PRICES, 1974

MURPHY ESTIMATE	DATA PUBLISHED IN ECON STATISTICS MONTHLY		
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1974/1973 DEC '74/DEC '73

EXPORT UNIT

VALUE	16.4	38.0	32.6
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EXPORT PRICE

INDEX	5.9	33.7	22.0
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MIZOGUCHI REQUESTED CALRIFICATION CONCERNING MURPHY ESTIMATES FOR JAPAN, ESPECIALLY WITH RESPECT TO (A) YEAR CHOSEN FOR WEIGHTS, AND (B) POSSIBLE ADJUSTMENT FOR TIMING DISCREPANCY DUE TO USE OF CONTRACT PRICE RATHER THAN ACTUAL VALUE OF GOODS SHIPPED DURING GIVEN PERIOD.

5. ACTION REQUESTED: IF ADDITIONAL INFORMATION CONCERNING MURPHY ESTIMATES ON 1974 EXPORT PRICE INCREASES

FOR JAPAN IS AVAILABLE, EMBASSY WOULD APPRECIATE RECEIVING THIS FOR TRANSMITTAL TO MIZOGUCHI.
HODGSON

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Message Attributes

Automatic Decaptioning: X
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Concepts: POLICIES, EXPORTS, COMMITTEE MEETINGS, CONSULTANTS, ECONOMIC PROGRAMS, PRICES, MEETING DELEGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 JAN 1976
Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
Disposition Authority: morefirh
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Disposition Date: 28 MAY 2004
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